

Agency:	107 Health Care Authority
Decision Package Code/Title:	PL-LM Purchase Vaccines For CHP Kids
Budget Period:	2015 Supplemental Submittal
Budget Level:	PL – Policy Level

Recommendation Summary Text

The Health Care Authority (HCA) requests \$733,000 GF-State in the 2015 supplemental to work with the Department of Health (DOH) to acquire vaccines for undocumented children enrolled in the Children's Health Program (CHP).

Package Description

Funding for Vaccines for Undocumented Children in HCA Children's Health Program.

Currently, the DOH purchases vaccines for undocumented children using federal discretionary 317 Direct Assistance, (317 DA – vaccines in lieu of cash) from the Centers for Disease Control and Prevention (CDC). The CDC has been decreasing the amount of 317 DA funding available to the DOH over time, and increasing restrictions for using it. The CDC stopped allowing the use of 317 DA for children in state Child Health Insurance Programs (CHIP) in 2012. The CDC has further restricted the use of 317 DA funds, and they can no longer be used for children who have insurance that covers vaccines. The CDC is also directing states to use 317 DA funding for uninsured and underinsured adults, as they contend the Affordable Care Act eliminates underinsurance for children. These changes mean children served in the state Children's Health Program (CHP) can no longer receive vaccines funded by 317 DA funds.

The Children's Health Program (CHP)

Washington State's Apple Health for Kids program includes three distinct health care programs for children residing in low-income households:

- Medicaid;
- The State Children's Health Insurance Program (SCHIP); and
- The Children's Health Program (CHP).

The CHP provides similar health coverage as Medicaid and the SCHIP, except that it covers undocumented, non-citizen children. Costs incurred in the CHP are covered entirely by the state; no federal funding is available to support these expenditures.

Historically, the HCA has relied on the DOH to purchase vaccines for children enrolled in the CHP, but recent scrutiny into the use of the 317 DA funds indicate that this program can no longer cover vaccines for insured undocumented children in Washington State. Those costs must be borne by the state through the coverage provided through the CHP.

Questions related to this decision package should be directed to Marcia Wendling at (360) 725-1836 or at Marcia.Wendling@hca.wa.gov.

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Fiscal Detail/Objects of Expenditure

	FY 2015	Total
1. Operating Expenditures:		
Fund 001-1 GF-State	\$ 733,000	\$ 733,000
Total	\$ 733,000	\$ 733,000
	FY 2015	Total
2. Staffing:		
Total FTEs	-	-
	FY 2015	Total
3. Objects of Expenditure:		
A - Salaries And Wages	\$ -	\$ -
B - Employee Benefits	\$ -	\$ -
C - Personal Service Contracts	\$ -	\$ -
E - Goods And Services	\$ -	\$ -
G - Travel	\$ -	\$ -
J - Capital Outlays	\$ -	\$ -
N - Grants, Benefits & Client Services	\$ 733,000	\$ 733,000
Other (specify) -	\$ -	\$ -
Total	\$ 733,000	\$ 733,000
	FY 2015	Total
4. Revenue:		
Fund 001-2 GF-Federal	\$ -	\$ -
Total	\$ -	\$ -

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request is critical to continue to provide access to vaccinations for children enrolled in the CHP.

Performance Measure Detail

Activity Inventory

H008 HCA Children's Health Program Clients

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The mission of the HCA is to provide high quality health care for the state's most vulnerable residents. An effective vaccine program requires all residents to have access to vaccinations. This request will improve the health of Washingtonians.

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Does this decision package provide essential support to one or more of the Governor’s Results Washington priorities?

This request supports the Governor’s “Healthy People” goal, to help “provide access to good medical care to improve people’s lives”. This proposal will increase the percentage of children receiving all recommended vaccinations from 65.2 percent in 2012 to 72.6 percent by 2016.

What are the other important connections or impacts related to this proposal?

The CDC policy for use of 317 DA funds no longer allows it to be used to purchase vaccine for children who have health insurance that includes vaccines. The DOH/Office of Immunization and Child Profile is at risk for consequences by being out of compliance with the federal guidance.

A similar request was funded by Legislature in the 2013 session for the aforementioned SCHIP, when the CDC informed the state that it can no longer use the 317 DA funding to cover vaccine costs for children enrolled in the SCHIP.

Vaccines do not just benefit the individuals receiving the immunizations. Effective vaccine programs require a critical percentage of the population to be immunized in order to prevent an outbreak of a communicable disease. Providing access to vaccines for citizen and non-citizen children is necessary to prevent the spread of life threatening diseases.

What alternatives were explored by the agency, and why was this alternative chosen?

The CDC’s policy states that children with health insurance that does NOT cover vaccines are considered “underinsured.” Underinsured children are eligible for vaccine coverage through the Vaccines for Children (VFC) program, if they are vaccinated in a Federally Qualified Health Center (FQHC). If they are vaccinated in their medical home, and it is not a FQHC, funding must come from another source. One option is 317 DA vaccine. If changes in the amount of 317 DA available and the restriction of the funding for the purchase of vaccine for uninsured or underinsured adults do not prevent it, 317 DA may be available to cover vaccines for underinsured children. In that case, an alternative to this proposal would be to eliminate the coverage of vaccines in the state’s CHP so that all the CHP children are “underinsured.” The state may then rely on VFC funding to cover vaccines costs for the CHP children vaccinated at a FQHC, and to use 317 DA funding to vaccinate CHP children in their medical homes.

What are the consequences of adopting this package?

The HCA will assume the costs of immunizing children in the CHP. While the state will no longer use federal funding to cover the costs of vaccines for the CHP kids, the HCA will continue to purchase vaccines at the CDC bulk purchasing program rates through the DOH.

What is the relationship, if any, to the state capital budget?

None

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What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and Revenue Calculations and Assumptions

Revenue Calculations and Assumptions:

None

Expenditure Calculations and Assumptions:

The HCA pulled claims data on the number and types of vaccines given to children enrolled in the CHP and provided this information to the DOH. The DOH then used previous expenditures and its rate estimator to calculate the annual amount of vaccines costs associated with undocumented CHP clients. The amount for fiscal year 2015 assumes a start date of October 1, 2014.

Which costs, savings, and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Distinction between one-time and ongoing costs:

All costs are assumed to be on-going.

Budget impacts in future biennia:

Actual expenditures from year to year will vary due to eligibility, required vaccination schedules, vaccines received, and rates offered by the CDC.